



## Consolidated Financial Statements

We'koqma'q First Nation

March 31, 2025

# Contents

	<b><u>Page</u></b>
Management's responsibility for financial reporting	1
Independent auditor's report	2 - 3
Consolidated statement of operations	4
Consolidated statement of financial position	5
Consolidated statement of changes in net debt	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8 - 21

## Management's responsibility for financial reporting

The accompanying consolidated financial statements of the We'koqma'q First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Doane Grant Thornton LLP in accordance with generally accepted auditing standards on behalf of the members. Doane Grant Thornton LLP has full and free access to the Council.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

# Independent auditor's report

To the Chief and Councilors of the  
We'koqma'q First Nation

## Opinion

We have audited the consolidated financial statements of We'koqma'q First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of We'koqma'q First Nation as at March 31, 2025, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

# Independent auditor's report (continued)

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

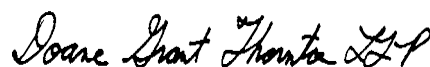
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Membertou, Canada  
November 4, 2025



Chartered Professional Accountants

# We'koqma'q First Nation

## Consolidated statement of operations

Year ended March 31	Budget	2025	2024
<b>Revenues</b>			
Commercial sales	\$ 19,189,011	\$ 17,511,189	\$ 16,960,912
Fisheries	12,816,565	5,429,169	10,605,088
Government transfers (Note 17)	19,807,900	33,177,796	26,942,355
Other revenues	94,401	5,148,381	1,696,954
Proceeds on sale of assets	-	-	1,325,500
	<u>51,907,877</u>	<u>61,266,535</u>	<u>57,530,809</u>
<b>Expenses</b>			
Administration	216,004	365,195	1,038,725
Advertising	9,600	44,947	89,469
Amortization	1,942,000	4,115,754	4,119,336
Community	815,929	1,461,238	884,834
Core funding and benefits	760,500	784,594	803,808
Economic and employment development	100,800	61,113	265,408
Education and training	2,368,911	2,283,991	2,032,393
Health programs	247,412	284,110	275,657
Insurance	172,917	892,627	894,264
Interest	1,947,168	3,825,650	2,782,997
Municipal services	642,210	348,838	827,739
Office	153,273	698,858	378,401
Professional fees	768,800	1,319,876	1,259,525
Purchases - Fisheries	7,733,533	5,147,275	5,489,169
Purchases - Retail	15,415,535	13,829,016	14,050,847
Repairs and maintenance	1,223,226	3,133,731	1,937,089
Salaries and benefits	14,119,621	17,555,694	16,764,562
Security	532,808	100,228	37,677
Social	2,000,000	3,136,255	2,313,936
Telephone and utilities	432,406	686,059	682,893
Training and travel	375,334	465,698	395,141
	<u>51,977,987</u>	<u>60,540,747</u>	<u>57,323,870</u>
Annual surplus (deficit) before other items	(70,110)	725,788	206,939
Loss on transfer of water assets to Atlantic First Nations Water Authority (Note 16)	-	2,957,096	-
<b>Annual (deficit) surplus</b>	<u>\$ (70,110)</u>	<u>(2,231,308)</u>	<u>206,939</u>
Accumulated surplus, beginning of year		35,581,263	35,374,324
<b>Accumulated surplus, end of year</b>		<u>\$ 33,349,955</u>	<u>\$ 35,581,263</u>

See accompanying notes to the consolidated financial statements.

# We'koqma'q First Nation

## Consolidated statement of financial position

March 31

2025

2024

### Financial assets

Cash	\$ -	\$ 1,276,628
Receivables (Note 2)	7,589,585	9,656,882
Restricted cash (Note 3)	9,995,460	3,154,177
Promissory note receivable (Note 4)	23,991,142	24,251,084
Inventory (Note 5)	2,767,994	3,684,642
Portfolio Investment (Note 7)	34,180,060	-
	<u>78,524,241</u>	<u>42,023,413</u>

### Financial liabilities

Bank indebtedness	1,329,384	-
Payables and accruals (Note 8)	6,512,588	3,408,330
Deferred revenue (Note 9)	1,950,410	5,218,485
Capital lease obligations	-	8,460
Long-term debt (Note 10)	113,402,474	73,092,637
	<u>123,194,856</u>	<u>81,727,912</u>

**Net debt (Page 6)** (44,670,615) (39,704,499)

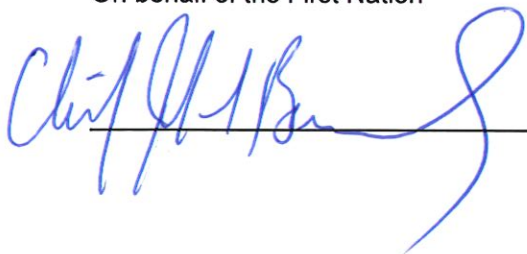
### Non-financial assets

Prepays	826,547	757,316
Purchased fishing licenses and permits (Note 11)	15,175,000	15,175,000
Property and equipment (Note 12)	62,019,023	59,353,446
	<u>78,020,570</u>	<u>75,285,762</u>

**Accumulated surplus (Note 13)** \$ 33,349,955 \$ 35,581,263

Contingencies (Note 14)

On behalf of the First Nation



Chief



Councillor

See accompanying notes to the consolidated financial statements.

---

**We'koqma'q First Nation****Consolidated statement of changes in net debt**

Year ended March 31	Budget	2025	2024
Excess of revenues over expenses	\$ (70,110)	\$ (2,231,308)	\$ 206,939
Amortization	-	4,115,754	4,119,336
Purchased fishing licenses acquired	-	-	(1,475,000)
Tangible capital assets acquired	(2,005,000)	(9,738,427)	(7,497,507)
Loss on transfer of water assets	-	2,957,096	-
	(2,075,110)	(4,896,885)	(4,646,232)
Change in other non-financial assets	-	(69,231)	(84,289)
Change in net debt	\$ (2,075,110)	(4,966,116)	(4,730,521)
Net debt, beginning of year		(39,704,499)	(34,973,978)
Net debt, end of year		\$ (44,670,615)	\$ (39,704,499)

---

See accompanying notes to the consolidated financial statements.



# We'koqma'q First Nation

## Consolidated statement of cash flows

Year ended March 31

2025

2024

Increase (decrease) in cash and cash equivalents

<b>Operating</b>		
Excess of revenues over expenses	\$ (2,231,308)	\$ 206,939
Amortization	4,115,754	4,119,336
Loss on transfer of water assets	<u>2,957,096</u>	<u>-</u>
	4,841,542	4,326,275
Change in non-cash operating working capital		
Receivables	2,067,297	3,389,842
Prepays	(69,231)	(84,289)
Inventory	916,648	(454,323)
Payables and accruals	3,324,089	(5,659,369)
HST payable	(219,831)	(13,161)
Deferred revenue	<u>(3,268,075)</u>	<u>1,152,816</u>
	<u>7,592,439</u>	<u>2,657,791</u>
<b>Capital</b>		
Purchased fishing licenses acquired	-	(1,475,000)
Capital assets acquired	<u>(9,738,427)</u>	<u>(7,497,507)</u>
	<u>(9,738,427)</u>	<u>(8,972,507)</u>
<b>Financing</b>		
Change in restricted cash	(6,841,283)	(842,556)
Repayment of capital lease obligations	(8,460)	(22,546)
Proceeds of long-term debt	43,466,816	17,249,668
Repayment of long-term debt	(3,156,979)	(2,502,145)
Advances of promissory note receivable	-	(7,142,860)
Receivable from First Nation Fisheries Interest Group	<u>259,942</u>	<u>241,860</u>
	<u>33,720,036</u>	<u>6,981,421</u>
<b>Investing</b>		
Investment in casino	<u>(34,180,060)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,606,012)	666,705
Cash and cash equivalents, beginning of year	<u>1,276,628</u>	<u>609,923</u>
Cash and cash equivalents, end of year	<u>\$ (1,329,384)</u>	<u>\$ 1,276,628</u>

See accompanying notes to the consolidated financial statements.

---

# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

---

March 31, 2025

---

### **1. Summary of significant accounting policies**

#### **Reporting First Nation and principles of financial reporting**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS").

The consolidated financial statements of the We'koqma'q First Nation are the representations of management prepared in accordance with Canadian generally accepted accounting principles for public sector entities, as required by the Public Sector Accounting Board (PSAB).

The focus of PSAS financial statements is on the financial position of the First Nation and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the First Nation.

Significant aspects of the accounting policies adopted by the First Nation are as follows:

#### **Principles of consolidation**

The consolidated financial statements include the entities over which the First Nation has a controlling interest, after the elimination of inter-fund transactions and balances. The entities consolidated in these financial statements include We'koqma'q One Stop, We'koqma'q Housing Projects, and We'koqma'q Contracting Incorporated.

#### **Government transfers**

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized, and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized, and all eligibility criteria have been met.

#### **Revenue recognition**

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Revenues earned from transactions with performance obligations include fisheries and commercial revenue and are recognized when the performance obligation is satisfied by providing the promised goods and/or services to the payor. Revenue from transactions with no performance obligations, if any, are recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

Rental revenue is recognized when received or receivable and collection is reasonably assured.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

---

# We'koqma'q First Nation

## Notes to the consolidated financial statements

---

March 31, 2025

---

### 1. Summary of significant accounting policies (continued)

#### Revenue recognition (continued)

Interest revenue is recognized as accrued unless it is externally restricted. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

#### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment.

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Buildings	4% declining balance
Housing properties	25 years straight line
Fishing vessels	4% declining balance
Equipment	20% declining balance
Vehicles	30% declining balance
Community housing	4% declining balance
Subdivision	4% declining balance
Infrastructure	20% declining balance
Intangibles	5% declining balance
Project haven	4% declining balance
We'koqma'q One Stop	5-10 years straight line

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

#### Use of estimates

In preparing the First Nation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

#### Purchased fishing licenses and permits

Purchased fishing licenses and permits assets are intangible capital assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized.

The First Nation's evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

The First Nation's also owns other communal fishing licenses and permits which were not purchased by the First Nation but were given to or granted to the First Nation.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

### 1. Summary of significant accounting policies (continued)

#### Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The First Nation estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage, or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense during fiscal 2025 was \$18,976,291 (2024 - \$19,540,016). No write-down of inventories below their cost to their net realizable value was made in fiscal 2025. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

Trout farm inventory is recorded at cost. Cost is determined based on the cost of total fish purchased, feed purchased and provided to the fish based on a industry calculated conversion ratio and labour. The cost of the inventory is then applied to the average weight of fish per cage to determine total inventory value. No overhead is allocated to the cost of inventory.

#### Income taxes

The First Nation is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

#### Financial Instruments

All financial instruments are recorded at their cost or amortized cost, including portfolio investments not traded in an active market. Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

<b>2. Receivables</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Atlantic Canada Opportunities Agency	\$ 27,911	\$ 27,911
Canada mortgage and Housing Corporation	-	18,761
Department of Fisheries and Oceans	1,109,210	1,054,510
First Nations Fisheries Interest Group Partnership	2,486,338	1,613,871
Health Canada	11,486	11,486
Indigenous Services Canada	1,679,898	3,724,848
Mi'kmaq Employment and Training Secretariat	130,266	113,967
Mi'kmaw Economic Benefits Office	115,600	66,320
Mi'kmaw Kina'matnewey	110,558	72,313
Province of Nova Scotia	37,405	138,357
Trade and sundry	<u>1,880,913</u>	<u>2,814,538</u>
	<b><u>\$ 7,589,585</u></b>	<b><u>\$ 9,656,882</u></b>

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

<b>3. Restricted cash</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Funds on deposit with Indigenous Services Canada (a)	\$ -	\$ 39,659
Replacement reserve (b)	<b>150,694</b>	150,694
First Nations Finance Authority debt reserve fund (c)	<b>4,895,069</b>	2,963,824
Land claims distribution (d)	<b><u>4,949,697</u></b>	<u>-</u>
	<b><u>\$ 9,995,460</u></b>	<b><u>\$ 3,154,177</u></b>

- a) Funds on deposit with Indigenous Services Canada refers to monies that were derived from capital revenue sources as outlined in Section 32 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act and restricted for specific purposes.
- b) Under the terms of the agreement with the Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$79,792 (2024 - \$69,583). These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by the CMHC from time to time. The funds, in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal. These allocated amounts have not been fully set aside as at March 31, 2025, with a total deficiency of \$708,975 (2024 - \$631,133).
- c) Under the terms of the lending agreement with First Nations Finance Authority (FNFA), a debt reserve of 5% of total draw amount of \$92,254,073 is required to be established and maintained under section 84 of the Act for financing secured by Other Revenues.
- d) Cash has been provided from the We'koqma'q 1862 Alienation of Reserve Land Claim Trust with the purpose of distributing it to band members as a result of the land claim settlement. As of March 31, 2025 \$4,949,696 has yet to be distributed.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

### 4. Promissory note receivable

	<u>2025</u>	<u>2024</u>
<b>First Nations Fisheries Interest Group Partnership</b>		
6.14% loan receivable in equal quarterly blended instalments of principal plus interest in the amount of \$1,303,067 payable quarterly maturing in fiscal 2051	<b>\$ 16,848,282</b>	\$ 17,108,224
8% loan receivable with no set terms of repayment	<u><b>7,142,860</b></u>	<u>7,142,860</u>
	<u><b>\$ 23,991,142</b></u>	<u><b>\$ 24,251,084</b></u>

Principal repayments in each of the next five (5) years are as follows:

2026	\$ 1,303,588
2027	\$ 1,303,588
2028	\$ 1,303,588
2029	\$ 1,303,588
2030	\$ 1,303,588

The First Nation has an investment in First Nations Fisheries Interest Group Partnership at nil cost.

### 5. Inventory

	<u>2025</u>	<u>2024</u>
We'koqma'q One Stop	<b>\$ 168,018</b>	\$ 168,018
Fitness Centre	<b>1,434</b>	1,434
Trout farm	<u><b>2,598,542</b></u>	<u>3,515,190</u>
	<u><b>\$ 2,767,994</b></u>	<u><b>\$ 3,684,642</b></u>

### 6. Bank indebtedness

We'koqma'q First Nation has an established line of credit from Peace Hills. The line of credit is in the amount of \$500,000 which bears interest at prime plus 1.00%. Amounts advanced in excess of the authorized limit bear interest at 24.00% per annum. Amounts are secured by the assignment of funding from Indigenous Services Canada and Mi'kmaw Kina'matnewey.

We'koqma'q First Nation has two other established line of credits for \$3,500,000 and \$750,000. Amounts drawn bear interest of prime plus 0.75% per annum and prime plus 0.95% per annum. The two lines of credit are secured by a general security agreement. As of March 31, 2025, Peace Hills prime rate was 4.95%.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

### 7. Investments 2025 2024

Pure Casino Entertainment Limited Partnership	<u>\$ 34,180,060</u>	\$ -
---	----------------------	------

The First Nation, together with 5 other First Nation entities in the Province of Nova Scotia, has entered into the above limited partnerships. The First Nation does not control the Partnership and therefore has recorded its investment at amortized cost. No distributions have been received in fiscal 2025.

### 8. Payables and accruals 2025 2024

Trade	\$ 4,926,062	\$ 2,159,597
Payroll remittances	53,490	1,388
Commodity taxes	696,908	916,739
Accrued liabilities	<u>836,128</u>	<u>330,606</u>
	<u>\$ 6,512,588</u>	<u>\$ 3,408,330</u>

### 9. Deferred revenue

	<u>ISC</u>	<u>Other</u>	<u>Total 2025</u>	<u>Total 2024</u>
Balance, beginning of year	\$ 5,082,737	\$ 135,748	\$ 5,218,485	\$ 4,065,669
Contributions	794,000	-	794,000	1,620,091
Amounts recognized as Revenue	<u>(4,002,075)</u>	<u>(60,000)</u>	<u>(4,062,075)</u>	<u>(467,275)</u>
Balance, end of year	<u>\$ 1,874,662</u>	<u>\$ 75,748</u>	<u>\$ 1,950,410</u>	<u>\$ 5,218,485</u>

The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the band fails to comply with the terms and conditions of the agreements.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

10. Long-term debt	<u>2025</u>	<u>2024</u>
<b>Canada Mortgage and Housing Corporation</b>		
Housing mortgages, bearing interest at 0.96% - 5.00%, repayable under various terms by June 2049	\$ 5,251,446	\$ 4,464,758
<b>Royal Bank of Canada</b>		
Term loans with interest ranging from 1.59% - 8.99% repayable in blended monthly instalments of \$15,958, maturing from April 2025 – February 2029.	1,063,184	1,246,132
<b>Peace Hills Trust</b>		
Term loans with interest ranging from 3.29% - 5.50% repayable in blended monthly instalments of \$226,373, maturing from May 2025 – March 2030.	16,914,923	11,832,489
<b>Ulnooweg Development Group Inc.</b>		
Term loans with interest ranging from 4.00 % - 8.50% Repayable in monthly instalments of \$3,788, maturing From January 2028 – June 2034.	163,314	160,081
<b>Province of Nova Scotia</b>		
5.35% term loan, maturing in September 2037, repayable in blended monthly instalments of \$7,053.	754,274	797,828
<b>Kubota Canada Ltd.</b>		
0.00% term loan, maturing in February 2029, repayable in monthly instalments of \$971.	45,645	57,299
<b>Ford</b>		
Term loans with interest ranging from 0.00% - 5.00% repayable in blended monthly instalments of 4,343, maturing from November 2028 – February 2023.	207,153	81,098
<b>First Nation Finance Authority</b>		
1.90% loan payable in equal annual principal instalments of \$428,151 and semi-annual interest instalments of \$178,571, maturing June 2030.	16,949,255	17,412,409
3.06% loan payable in equal annual principal instalments of \$204,759 and semi-annual interest instalments of \$137,539, maturing June 2032.	8,340,670	8,556,260
4.28% loan payable in equal annual principal instalments of \$391,344 and semi-annual interest instalments of \$450,556, maturing June 2034.	20,593,356	20,988,776



# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

<b>10. Long-term debt (continued)</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
4.28% loan payable in equal annual principal instalments of \$139,757 and semi-annual interest instalments of \$160,902, maturing June 2034.	<b>7,354,295</b>	7,495,507
4.00% loan payable on demand. As of year end the First Nation is making interest only payments	<b>4,211,013</b>	-
4.30% loan payable in equal annual principal instalments of \$130,254 and semi-annual interest instalments of \$144,952, maturing June 2035	<b><u>31,553,946</u></b>	-
Total	<b>113,402,474</b>	73,092,637
Current portion of long-term debt		
Principal payments due within one year.	<b><u>9,279,049</u></b>	<u>6,950,152</u>
	<b><u>\$104,123,425</u></b>	<u>\$ 66,142,485</u>

As security, for the Canada Mortgage and Housing Corporation, Royal Bank of Canada and TD Canada Trust housing project mortgages, the First Nation has provided an irrevocable authorization to Indigenous Services Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the First Nation.

Peace Hills Trust loans are secured by the assignment of funding from Indigenous Services Canada and Mi'kmaw Kina'matnewey and has been given a general security agreement constituting a first ranking security interest in all personal property of the We'koqma'q First Nation.

For the Royal Bank of Canada and Ulnooweg Development Group Inc., the First Nation has given a general security agreement constituting a 2<sup>nd</sup> security interest in all present and future personal property of the First Nation and including specific charges over property.

Principal repayments in each of the next five (5) years are due as follows:

2026	\$ 9,279,049
2027	\$ 3,594,913
2028	\$ 2,537,185
2029	\$ 2,424,092
2030	\$ 2,408,216

<b>11. Purchased fishing licenses and permits</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Purchased fishing licenses and permits	<b><u>\$ 15,175,000</u></b>	<u>\$ 15,175,000</u>

The First Nation records all purchased commercial fishing licenses and permits as intangible assets. All other permits and licenses owned by We'koqma'q First Nation have been granted for a nil consideration and therefore have not been capitalized.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

### 12. Property and equipment

	<u>Opening Cost</u>	<u>Additions</u>	<u>Disposals</u>	<u>End Cost</u>	<u>Opening Accumulated Depreciation</u>	<u>Depreciation</u>	<u>Accumulated Depreciation on Disposals</u>	<u>Closing Accumulated Depreciation</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Land	\$ 85,000	\$ 1,491,637	-	1,576,637	-	-	-	-	\$ 1,576,637	\$ 85,000
Land Improvements	125,000	-	-	125,000	-	-	-	-	125,000	125,000
Buildings										
Band office	2,385,369	5,722	-	2,391,091	1,323,887	42,574	-	1,366,461	1,024,630	1,061,482
School	8,850,990	-	-	8,850,990	4,233,625	184,695	-	4,418,320	4,432,670	4,617,365
Police Station	322,987	-	-	322,987	196,104	5,075	-	201,179	121,808	126,883
Fisheries	2,037,355	4,320	-	2,041,675	847,823	59,192	-	907,015	1,134,660	1,189,532
Health centre	2,379,190	164,399	-	2,543,589	1,082,922	55,139	-	1,138,061	1,405,528	1,296,268
Fire station/Community centre	1,678,259	-	-	1,678,259	378,050	52,008	-	430,058	1,248,201	1,300,209
Fitness centre	133,768	75,920	-	209,688	44,570	5,086	-	49,656	160,032	89,198
Waycobah contracting	192,044	-	-	192,044	79,108	3,806	-	82,914	109,130	112,936
Big falls	2,287,013	40,512	-	2,327,525	326,695	79,223	-	405,918	1,921,607	1,960,318
Day care	212,164	-	-	212,164	4,243	8,317	-	12,560	199,604	207,921
Equipment & furniture	3,686,805	769,218	-	4,456,023	2,981,372	217,051	-	3,198,423	1,257,600	705,433
Computer	200,684	8,941	-	209,625	110,387	42,270	-	152,657	56,968	90,297
Fishing vessel	6,617,077	2,320,500	-	8,937,577	1,178,938	253,969	-	1,432,907	7,504,670	5,438,139
Fish farm	11,553,061	289,609	-	11,842,670	6,272,987	1,038,981	-	7,311,968	4,530,702	5,280,074
Vehicles	2,262,838	501,296	-	2,764,134	1,333,363	354,714	-	1,688,077	1,076,057	929,475
Community housing	17,658,254	3,654,652	-	21,312,906	3,914,109	556,381	-	4,470,490	16,842,416	13,744,145
Subdivision	9,643,729	-	-	9,643,729	4,583,280	202,418	-	4,785,698	4,858,031	5,060,449
Infrastructure	7,551,399	4,816,009	(3,685,494)	8,681,914	4,547,090	193,448	(728,398)	4,012,140	4,669,774	3,004,309
Project haven	198,931	-	-	198,931	198,931	-	-	198,931	-	-
Leased Assets	98,170	-	-	98,170	57,455	25,141	-	82,596	15,574	40,715
We'koqma'q One Stop	3,510,756	-	-	3,510,756	2,648,534	262,821	-	2,911,355	599,401	862,222
Construction in progress	7,697,325	7,947,168	(12,351,473)	3,293,020	-	-	-	-	3,293,020	7,697,325
Housing Properties	13,804,896	-	-	13,804,896	9,476,148	473,445	-	9,949,593	3,855,303	4,328,751
	<u>\$ 105,173,064</u>	<u>\$ 22,089,903</u>	<u>\$ (16,036,967)</u>	<u>\$ 111,226,000</u>	<u>\$ 45,819,618</u>	<u>\$ 4,115,754</u>	<u>\$ (728,398)</u>	<u>\$ 49,206,977</u>	<u>\$ 62,019,023</u>	<u>\$ 59,353,446</u>

---

## We'koqma'q First Nation

### Notes to the consolidated financial statements

March 31, 2025

---

#### 13. Accumulated surplus

The First Nation segregates its accumulated surplus into the following categories:

	<u>2025</u>	<u>2024</u>
Unallocated	<b>\$ 32,449,341</b>	\$ 34,761,117
Funds on deposit with Indigenous Service Canada	<b>40,334</b>	39,658
Replacement reserve	<u><b>860,280</b></u>	<u>780,488</u>
	<u><b>\$ 33,349,955</b></u>	<u><b>\$ 35,581,263</b></u>

The funds on deposits have been set aside to be spent on specific projects.

---

#### 14. Contingencies

- a) We'koqma'q First Nation has entered into funding arrangements and contribution agreements with various government departments and agencies. Funding received under these arrangements and agreements are subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
  - b) Subsidy assistance payments received through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act are subject to repayment if the housing projects fail to comply with the terms and conditions of the agreement.
- 

#### 15. Pension costs and obligations

The First Nation is required to match contributions to a group registered retirement savings plan for all full-time employees to a limit of 7.5%. Total contributions during the year amounted to \$424,547 (2024 - \$377,704).

---

#### 16. Sale of water assets

During the year, management entered a Community Arrangement with the Atlantic First Nations Water Authority to facilitate operating the water assets of the First Nation. As of April 1, 2024 the water assets of the First Nation were no longer controlled by the band as part of this arrangement. As a result of this restructuring the water assets have been derecognized.

---

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2025

### 17. Government transfers

	2025			2024		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers						
Atlantic Canada Opportunities Agency	-	115,275	115,275	-	116,193	116,193
Canada Mortgage and Housing Corporation	293,710	-	293,710	1,256,881	892,430	2,149,311
Department of Fisheries and Oceans	273,254	1,522,059	1,795,313	278,882	1,126,815	1,405,697
Indigenous Services Canada	12,172,332	6,304,900	18,477,232	10,674,838	2,163,729	12,838,567
Mi'kmaw Kina'matnewey	8,830,682	-	8,830,682	7,554,826	-	7,554,826
Mi'kmaw Employment Training Secretariat	429,052	113,200	542,252	645,180	200,023	845,203
Other	394,267	260,793	655,060	814,467	501	814,968
Subtotal	22,393,297	8,316,227	30,709,524	21,225,074	4,499,691	25,724,765
Provincial government transfers						
Province of Nova Scotia	234,168	1,365,193	1,599,361	173,357	47,929	221,286
Ta'n Etli-tpi'tmk Association	235,542	-	235,542	168,625	-	168,625
Ulnuoweg Development Group	248,750	316,150	564,900	160,000	-	160,000
Union of Nova Scotia Mi'kmaq	68,469	-	68,469	667,679	-	667,679
Subtotal	786,929	1,681,343	2,468,272	1,169,661	47,929	1,217,590
Total	23,180,226	9,997,570	33,177,796	22,394,735	4,547,620	26,942,355

### 18. Segmented information

We'koqma'q First Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes We'koqma'q First Nation's operations and activities are organized and reported by divisions. The divisions were created for the purpose of recording activities to comply with specific regulations and requirements.

Divisions that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

- Social Development – Social assistance provided to qualifying members.
- First Nation Government – All associated with the administration of the First Nation operations.
- Education – Providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Non-subsidized housing – Repairs and maintenance carried out during the year to the community buildings.
- Fisheries – Management of the DFO fisheries operations and fish hatchery farm.
- Health – Activity of the Health Centre which provides a variety of health care programs and support.
- Subsidized Housing – Section 95 and non-subsidized housing operation.
- Gaming – Monies received from the Province of Nova Scotia from casino profits.
- Commercial enterprises – Operating results from Rod's One Stop
- Recreation – Activities relating to operation of the gymnasium.
- Waycobah Contracting Incorporated – Operating results for security company.

# We'koqma'q First Nation

## Note 18 - Segmented Disclosure

Year ended March 31

	Band Government			Commercial Enterprises			Education		
	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>									
Federal government operating transfers	\$ 4,007,953	\$ 3,370,451	\$ 1,719,596	\$ -	\$ -	\$ -	\$ 7,544,015	\$ 9,179,738	\$ 7,555,026
Federal government capital transfers	-	-	316,716	-	-	-	-	113,200	-
Provincial government operating transfers	-	576,691	361,125	-	-	-	-	68,469	665,179
Provincial government capital transfers	-	316,068	27,679	-	-	-	700,000	-	-
Economic activities	-	-	-	18,410,075	17,172,763	16,610,919	-	-	-
Other	-	3,260,366	1,681,720	-	-	-	43,845	1,776,043	4,195
	4,007,953	7,523,576	4,106,836	18,410,075	17,172,763	16,610,919	8,287,860	11,137,450	8,224,400
<b>Expenses</b>									
Salaries and benefits	2,621,910	2,602,900	1,961,666	860,239	917,295	891,337	5,402,752	5,899,981	5,065,141
Depreciation	-	1,709,993	1,704,037	-	280,395	284,156	-	-	-
Interest	1,362,228	3,467,133	2,550,962	140,400	118,170	95,571	-	-	-
Other	2,887,075	4,875,675	3,582,801	15,945,154	14,051,730	14,181,760	2,327,325	2,194,355	2,017,421
	6,871,213	12,655,701	9,799,466	16,945,793	15,367,590	15,452,824	7,730,077	8,094,336	7,082,562
<b>Surplus (deficit) for the year</b>	\$ (2,863,260)	\$ (5,132,125)	\$ (5,692,630)	\$ 1,464,282	\$ 1,805,173	\$ 1,158,095	\$ 557,783	\$ 3,043,114	\$ 1,141,838

	Employment Development			Fisheries			Gaming		
	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>									
Federal government operating transfers	\$ 397,063	\$ 402,003	\$ 930,158	\$ 274,151	\$ 235,437	\$ 288,786	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	-	1,901,026	1,126,815	-	-	-
Provincial government operating transfers	-	-	5,000	-	-	-	-	141,769	138,357
Provincial government capital transfers	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	12,816,565	5,429,169	10,605,088	-	-	-
Other	-	9,927	11,500	-	122,213	1,347,929	-	-	-
	397,063	411,930	946,658	13,090,716	7,687,845	13,368,618	-	141,769	138,357
<b>Expenses</b>									
Salaries and benefits	421,339	590,257	946,029	1,433,624	3,962,451	4,228,947	-	-	-
Depreciation	-	-	-	1,942,000	1,617,255	1,667,630	-	-	-
Interest	-	-	-	48,000	76,463	2,206	-	-	-
Other	124,900	55,944	275,404	8,815,013	7,963,361	7,686,837	-	-	-
	546,239	646,201	1,221,433	12,238,637	13,619,530	13,585,620	-	-	-
<b>Surplus (deficit) for the year</b>	\$ (149,176)	\$ (234,271)	\$ (274,775)	\$ 852,079	\$ (5,931,685)	\$ (217,002)	\$ -	\$ 141,769	\$ 138,357

# We'koqma'q First Nation

## Note 18 - Segmented Disclosure

Year ended March 31

	Health Canada			Non-subsidized Housing			Recreation		
	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>									
Federal government operating transfers	\$ 1,796,969	\$ 4,998,437	\$ 4,969,732	\$ -	\$ 1,053	\$ 1,020,314	\$ -	\$ 33,370	\$ 20,000
Federal government capital transfers	-	-	-	1,452,604	6,302,001	3,056,159	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	2,332	20,250	-	60,000	-
Economic activities	-	-	-	-	-	-	-	20,573	16,815
Other	300	1,699	18,661	38,256	9,571	1,156	-	-	-
	1,797,269	5,000,136	4,988,393	1,490,860	6,314,957	4,097,879	-	113,943	36,815
<b>Expenses</b>									
Salaries and benefits	1,924,855	1,803,017	1,745,926	581,512	523,627	772,532	-	175,161	168,929
Depreciation	-	-	-	-	4,777	5,932	-	-	-
Interest	-	-	-	360,420	-	-	-	-	-
Other	254,612	275,794	267,453	1,396,140	2,209,065	2,346,487	-	7,899	9,585
	2,179,467	2,078,811	2,013,379	2,338,072	2,737,469	3,124,951	-	183,060	178,514
<b>Surplus (deficit) for the year</b>	\$ (382,198)	\$ 2,921,325	\$ 2,975,014	\$ (847,212)	\$ 3,577,488	\$ 972,928	\$ -	\$ (69,117)	\$ (141,699)

	Social Development			Subsidized Housing			Waycobah Contracting		
	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>									
Federal government operating transfers	\$ 3,423,803	\$ 3,879,098	\$ 4,303,894	\$ 223,342	\$ 293,710	\$ 236,568	\$ -	\$ -	\$ 181,000
Federal government capital transfers	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	1,302,943	-
Economic activities	-	-	-	-	-	-	778,936	286,415	290,472
Other	-	-	-	-	-	-	-	-	-
	3,423,803	3,879,098	4,303,894	223,342	293,710	236,568	778,936	1,589,358	471,472
<b>Expenses</b>									
Salaries and benefits	172,164	131,622	129,506	-	-	-	701,226	949,383	854,549
Depreciation	-	-	-	-	496,774	451,128	-	6,560	6,453
Interest	-	-	-	36,000	162,787	134,100	120	1,097	158
Other	2,019,200	3,152,620	3,036,886	183,066	243,714	241,993	16,713	13,491	10,348
	2,191,364	3,284,242	3,166,392	219,066	903,275	827,221	718,059	970,531	871,508
<b>Surplus (deficit) for the year</b>	\$ 1,232,439	\$ 594,856	\$ 1,137,502	\$ 4,276	\$ (609,565)	\$ (590,653)	\$ 60,877	\$ 618,827	\$ (400,036)

---

## We'koqma'q First Nation

### Note 18 - Segmented Disclosure

Year ended March 31

---

	Totals		
	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Federal government operating transfers	\$ 17,667,296	\$ 22,393,297	\$ 21,225,074
Federal government capital transfers	1,452,604	8,316,227	4,499,690
Provincial government operating transfers	-	786,929	1,169,661
Provincial government capital transfers	700,000	1,681,343	47,929
Economic activities	32,005,576	22,908,920	27,523,294
Other	82,401	5,179,819	3,065,161
	<u>51,907,877</u>	<u>61,266,535</u>	<u>57,530,809</u>
<b>Expenses</b>			
Salaries and benefits	14,119,621	17,555,694	16,764,562
Depreciation	1,942,000	4,115,754	4,119,336
Interest	1,947,168	3,825,650	2,782,997
Other	33,969,198	35,043,649	33,656,975
	<u>51,977,987</u>	<u>60,540,747</u>	<u>57,323,870</u>
<b>Surplus (deficit) for the year</b>	<u>\$ (70,110)</u>	<u>\$ 725,788</u>	<u>\$ 206,939</u>

---